

# CMS Manual System

## Pub 100-04 Medicare Claims Processing

Transmittal 551

Department of Health &  
Human Services

Center for Medicare and  
&  
Medicaid Services

Date: APRIL 29, 2005

Change Request 3830

**SUBJECT: Dispensing/Supply Fee Code, Payment, and Common Working File (CWF) Editing for Immunosuppressive Drugs**

**I. SUMMARY OF CHANGES:** Adds FI payment of the supplying fee to existing instructions for DMERCs. FIs do pay for 30-day supplies of immunosuppressive drugs when provided by a dialysis facility in the State of Washington, or by any hospital outpatient departments not subject to OPPS. This instruction also requires the Common Working File (CWF) to notify the DMERCs whether or not a transplant has been paid by Medicare when a supplier submits a claim for G0369 or G0370.

### **NEW/REVISED MATERIAL :**

**EFFECTIVE DATE :** January 1, 2005 for FIs & CWF editing of FI claims, October 1, 2005 for DMERCs and CWF editing of DMERC claims

**IMPLEMENTATION DATE :** October 3, 2005

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

### **II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED

R/N/D	Chapter / Section / Subsection / Title
R	17/80.7/Pharmacy Supplying Fee

### **III. FUNDING:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

### **IV. ATTACHMENTS:**

Business Requirements

## Manual Instruction

***\*Unless otherwise specified, the effective date is the date of service.***

# Attachment - Business Requirements

Pub. 100-04	Transmittal: 551	Date: April 29, 2005	Change Request 3830
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**SUBJECT: Dispensing/Supply Fee Code, Payment, and Common Working File (CWF) Editing for Immunosuppressive Drugs**

## **I. GENERAL INFORMATION**

**A. Background:** The purpose of this Change Request (CR) is twofold: (1) to implement a supplying fee for immunosuppressive drugs at the Fiscal Intermediaries (FIs) and (2) to modify edits for the dispensing fees for immunosuppressive drugs that have already been implemented at the Durable Medical Equipment Regional Carriers (DMERCs).

Section 303(e) (2) of the MMA implements a supplying fee for immunosuppressive drugs. Beginning October 1, 2005, Medicare FIs will pay a separately billable supplying fee of \$24.00 to a pharmacy or other entity providing an immunosuppressive drug to a Medicare beneficiary. In addition, Medicare will also pay a separately billable supplying fee of \$50.00 to a pharmacy or other entity supplying immunosuppressive drugs for the initial supplied prescription of the immunosuppressive drugs during the first month following the patient's transplant. This is a one-time payment per beneficiary per transplant.

On December 10, 2004, CMS issued Change Request (CR) 3620, Transmittal 396, which implemented a dispensing fee for use with oral anti-cancer, oral anti-emetic, immunosuppressive, and inhalation drugs paid by the Durable Medicare Equipment Regional Carriers (DMERCs).

Under CR 3620, the DMERCs were instructed to make payment for dispensing fees for an initial supplied prescription of immunosuppressive drugs to a beneficiary during the first month following a transplant. This payment is made under Healthcare Common Procedure System (HCPCS) code G0369 and is payable once per beneficiary per transplant. For each subsequent prescription of immunosuppressive drugs, DMERCs make payment for a dispensing fee under HCPCS code G0370.

The DMERCs do not currently have access to beneficiary transplant data. This instruction requires the Common Working File (CWF) to notify the DMERCs whether or not a transplant has been paid by Medicare when a supplier submits a claim for G0369 or G0370.

## **B. Policy:**

### FIs:

Effective January 1, 2005, Medicare will pay a supplying fee of \$24.00 to a pharmacy or other entity for each supplied prescription of immunosuppressive drugs. These payments are generally made by the DMERC to the pharmacy. In the State of Washington, FIs pay the supplying fee to the dialysis facility that supplies immunosuppressive drugs to kidney transplant beneficiaries, as well as to all non-OPPS hospitals supplying 30-day supplies of immunosuppressive drugs. The code for this supplying fee is G0370. The code description is as follows:

G0370 – Pharmacy supply fee for oral anti-cancer, oral anti-emetic or immunosuppressive drug(s)

Effective January 1, 2005, Medicare will also pay a supplying fee of \$50.00 to a pharmacy for the initial supplied prescription of immunosuppressive drugs to the patient during the first month following the transplant. The code for this supplying fee is G0369. This is a one-time payment per beneficiary, per transplant. The code description is as follows:

G0369 – Pharmacy supply fee for initial immunosuppressive drug(s) first month following transplant.

When a hospital, including a CAH or dialysis facility, bills the FI for either of the supplying fees, the 30-day supply of immunosuppressive drugs must be on the same bill.

#### DMERCs:

Effective for claims processed on or after October 1, 2005, the pharmacy supply fee for the initial prescription of immunosuppressive drugs for the first month following a transplant (G0369) is payable once per beneficiary per transplant. For each subsequent prescription of immunosuppressive drugs, DMERCs make payment for a dispensing fee under HCPCS code G0370.

## **II. BUSINESS REQUIREMENTS**

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3830.1	Effective January 1, 2005, FIs shall pay a supplying fee of \$24.00 to a dialysis facility in the State of Washington or to any non-OPPS hospital for each supplied 30-day prescription of immunosuppressive drugs billed using HCPCS code G0370.	X				X				
3830.2	Effective January 1, 2005, FIs shall pay a supplying fee of \$50.00 to a dialysis facility in the State of Washington or to any non-OPPS hospital for the initially supplied prescription of immunosuppressive drugs using HCPCS code G0369.  This is a one-time per beneficiary per transplant	X				X				Institutional providers

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	fee. This fee shall only be billed within one (1) year of the date of discharge from the hospital stay in which the transplant was received.									
3830.3	For immunosuppressive drugs, the dialysis facility and non-OPPS hospitals may only bill the G0369 code for the first prescription of immunosuppressive drugs after the transplant. (No entity shall bill both the G0369 and G0370 with any 30-day supply of immunosuppressive drugs).	X				X				Institutional providers
3830.4	FIs shall process any adjustment requests for immunosuppressive drugs with dates of service on and after January 1, 2005, and pay the appropriate supplying fee to the dialysis facility or non-OPPS hospital.	X								
3830.5	Upon receiving a claim for G0369, CWF shall search the Beneficiary Master Record to determine if a claim for a transplant has been paid for the beneficiary within 1 calendar year prior to the date of service (DOS) on the immunosuppressive drug claim.								X	
3830.5.1	If CWF has a record of a transplant for the beneficiary within 1 calendar year prior to the DOS on the immunosuppressive drug claim, and a payment for G0369 has not yet been paid, CWF shall approve the claim.								X	
3830.5.2	If CWF does not have a record of a transplant for the beneficiary, CWF shall send a line level error to VMS and FISS.								X	
3830.5.1.2.1	When CWF sends the line level described in <b>3830.5.2</b> , VMS shall suspend the claim.							X		

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3830.5.2.1.1	If the DMERC knows that a transplant occurred while the beneficiary was Part A entitled, but CWF has no record of the transplant, the DMERC shall pay the claim.				X					
3830.5.2.1.2	If the DMERC does <u>not</u> know that a transplant occurred while the beneficiary was Part A entitled, the DMERC shall deny the claim.				X					
3830.5.3	If CWF has a record of a transplant for a beneficiary, but the date of the transplant was more than 1 calendar year prior to the DOS on the immunosuppressive drug claim, or a claim for G0369 has already been paid, CWF shall send a line level error to VMS or FISS indicating that the claim for G0369 shall be downcoded to G0370.								X	
3830.5.3.1	When CWF sends the line level error described in 3830.5.3, downcode and make payment for the supplying fee on the claim under G0370.					X				
3830.6	Upon receiving a claim for G0370 for dispensing an immunosuppressive drug, CWF shall search the Beneficiary Master Record to determine if a claim for a transplant has been paid for the beneficiary. (Note that G0370 can also be used for dispensing oral anti-cancer and oral anti-emetic drugs. These requirements only apply when G0370 is used in conjunction with an immunosuppressive drug.)								X	
3830.6.1	If CWF does not have a record of a transplant for the beneficiary, CWF shall send a line level error to VMS and FISS.								X	
3830.6.1.1	When CWF sends the line level described in 3830.6.1, the shared system shall suspend the claim.							X		

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3830.6.1.1.1	If the DMERC knows that a transplant occurred while the beneficiary was Part A entitled, but CWF has no record of the transplant, the DMERC shall pay the claim.				X					
3830.6.1.1.2	If the DMERC does <u>not</u> know that a transplant occurred while the beneficiary was Part A entitled, the DMERC shall deny the claim.				X					
3830.7	HCPCS code G0369 is payable once per beneficiary per transplant. Therefore, if a claim for G0369 has already been paid for one transplant, and the beneficiary has another transplant, G0369 is once again payable once per beneficiary per transplant.	X			X	X		X	X	
3830.8	CWF shall create claim line overrides for each of the line level errors described in 3830.5.2, 3830.5.3., and 3830.6.1.					X		X	X	
3830.8.1	The override described in 3830.8 shall be used in situations where CWF does not have a record of a beneficiary transplant, but at the time the transplant occurred, the beneficiary was Medicare Part A eligible (e.g., the DMERC or FI is furnished information that shows that a transplant occurred but the beneficiary has insurance primary to Medicare that made payment in full for the transplant so no claim for the transplant was submitted to Medicare.)	X			X			X		
3830.9	This CR is a full replacement of CR 3682. Once the instructions in this CR have gone into effect, CR 3682 will no longer be valid.				X					

### III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3830.10	A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/medlearn/matters">www.cms.hhs.gov/medlearn/matters</a> shortly after the CR is released. You will receive notification of the article release via the established "MedLearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement MedLearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X			X					

### IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

#### A. Other Instructions:

X-Ref Requirement #	Instructions
CR 3620	
CWF editing of (VMS) DMERC claims	CWF and VMS requirements are effective for claims processed on or after October 3, 2005.
3830.6 - 3830.6.1.1.2	These requirements apply to claims for immunosuppressive drugs ONLY. Note that the dispensing fee code G0370 may be used for drugs other than immunosuppressives (i.e., oral anti-cancer and oral anti-emetics).



**B. Design Considerations: N/A**

<b>X-Ref Requirement #</b>	<b>Recommendation for Medicare System Requirements</b>

**C. Interfaces: N/A**

**D. Contractor Financial Reporting /Workload Impact: N/A**

**E. Dependencies: N/A**

**F. Testing Considerations:** Only one dialysis facility is approved to dispense 30-day supplies of immunosuppressive drugs and that is in Washington State. We recommend the Beta Tester consult with Noridian Mutual Insurance Company prior to testing of the 72x TOB.

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> January 1, 2005, for FIs and CWF editing of FI claims; October 1, 2005, for claims processed by DMERCs and CWF editing of DMERC claims,</p> <p><b>Implementation Date:</b> October 3, 2005</p> <p><b>Pre-Implementation Contact(s):</b> FIs: Cindy Murphy, <a href="mailto:cmurphy1@cms.hhs.gov">cmurphy1@cms.hhs.gov</a>, 410-786-5733, DMERCs: Renée Hildt rhildt@cms.gov or (410) 786-1446</p> <p><b>Post-Implementation Contact(s):</b> FIs Seattle and other Regional Offices, DMERCs: appropriate RO</p>	<p><b>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.</b></p>
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## ***80.7 - Pharmacy Supplying Fee***

***(Rev. 551, Issued: 04-29-05; Effective: January 1, 2005 for FIs & CWF editing of FI claims, October 1, 2005 for DMERCs and CWF editing of DMERC claims; Implementation: 10-03-2005 )***

Section 303(e) (2) of the MMA implements a supplying fee for immunosuppressive drugs, oral anti-cancer chemotherapeutic drugs, and oral anti-emetic drugs used as part of an anti-cancer chemotherapeutic regimen. Beginning January 1, 2005, Medicare will pay a separately billable supplying fee of \$24.00 to a pharmacy, *dialysis facility in the State of Washington or any hospital outpatient department not subject to the OPPS* for each supplied prescription of the above-mentioned drugs. In addition, Medicare will also pay a separately billable supplying fee of \$50.00 to a pharmacy for the initial supplied prescription of the immunosuppressive drugs during the first month following the patient's transplant.

We are also changing the dispensing fee for inhalation drugs furnished through durable medical equipment. Effective January 1, 2005, Medicare will pay a dispensing fee of \$57.00 to a pharmacy/supplier for each 30-day period of inhalation drugs furnished through DME regardless of the number of shipments or drugs dispensed during that 30 day period. One payment per 30 day period. Medicare will also pay a dispensing fee of \$80.00 to a pharmacy/supplier for each 90-day period of inhalation drugs furnished through DME regardless of the number of shipments or drugs dispensed during that 90 day period. One payment per 90 day period.

Supply fees and dispensing fees must be billed on the same claim as the drug.

Medicare will not pay separately for compounding drugs. This cost is in the dispensing fees.